



6450-01-P

DEPARTMENT OF ENERGY

Western Area Power Administration

Parker-Davis Project–Rate Order No. WAPA-184

AGENCY: Western Area Power Administration, DOE.

ACTION: Notice of rate order extending firm electric and transmission service formula rates.

SUMMARY: The Deputy Secretary of Energy extends the existing Parker-Davis Project (P-DP) formula rates and will submit them to the Federal Energy Regulatory Commission (FERC) for confirmation and approval on a final basis. The existing formula rates were scheduled to expire on September 30, 2018, for firm electric and transmission service under Rate Schedules PD-F7, PD-FT7, PD-FCT7, and PD-NFT7. The Administrator of the Western Area Power Administration (WAPA) approved the use of the existing P-DP rates beyond September 30, 2018, under his authority to set rates for short-term sales. The short-term rates cover the period between October 1, 2018, and the date this rate extension goes into effect.

DATES: Firm electric and transmission service formula rates under Rates Schedules PD-F7, PD-FT7, PD-FCT7, and PD-NFT7 will become effective on the first calendar day of the month following **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**, and will remain in effect through September 30, 2023.

FOR FURTHER INFORMATION CONTACT: Mr. Ronald E. Moulton, Senior Vice President and Regional Manager, or Ms. Tina Ramsey, Rates Manager, Desert Southwest Region, Western Area Power Administration, P.O. Box 6457, Phoenix, AZ 85005-6457, (602) 605-2525, or dswpwrmrk@wapa.gov.

SUPPLEMENTARY INFORMATION: The Secretary of Energy delegated: (1) the authority to develop power and transmission rates to WAPA's Administrator; (2) the authority to confirm, approve, and place such rates into effect on an interim basis to the Deputy Secretary of Energy; and (3) the authority to confirm, approve, and place into effect on a final basis, to remand, or to disapprove such rates to FERC.¹

Following the procedures for public participation in the development of power and transmission rates,² WAPA is extending the P-DP formula rates set forth in Rate Schedules PD-F7, PD-FT7, PD-FCT7, and PD-NFT7. These rate schedules contain the formulas that are used to calculate the charges for firm electric and transmission service on an annual basis.

Extending these formula rates through September 30, 2023, gives WAPA and its customers time to evaluate the potential benefits of combining transmission rates on Federal transmission systems located within WAPA's Desert Southwest Region. Combining rates may lead to more efficient use of the Federal transmission systems, diversify the use of those systems, and lower rates for customers. If, after a thorough evaluation, WAPA determines that combining transmission rates is beneficial to its customers, it will follow established procedures for public participation in the development of the combined rates.

Rate Schedules PD-F7, PD-FT7, PD-FCT7, and PD-NFT7 were previously approved by FERC for a 5-year period through September 30, 2018.³ Since the rate schedules were scheduled

¹ Delegation Order No. 00-037.00B, effective November 19, 2016.

² 10 CFR 903.23.

³ FERC confirmed and approved Rate Order No. WAPA-162 *Order Confirming and Approving Rate Schedules on a Final Basis*, Docket No. EF14-4-000, 148 FERC ¶ 61,193 (Sept. 18, 2014).

to expire before the rate extension could be placed into effect, WAPA's Administrator approved the use of the existing P-DP rates beyond September 30, 2018, under his authority to set rates for short-term sales. The short-term rates cover the period between October 1, 2018, and the date this rate extension goes into effect or March 31, 2019, whichever occurs first.

A notice of proposed extension of formula rates was published in the *Federal Register* on July 13, 2018 (83 FR 32664).⁴ WAPA determined it was not necessary to hold a public information or public comment forum on the proposed formula rate extension, but provided a 30-day consultation and comment period to give the public an opportunity to comment on the proposed extension. The consultation and comment period ended on August 13, 2018, and WAPA received no comments on the proposed extension.

Following DOE's review of WAPA's proposal, I hereby approve Rate Order No. WAPA-184 on an interim basis, which extends existing Rate Schedules PD-F7, PD-FT7, PD-FCT7, and PD-NFT7 through September 30, 2023. Rate Order No. WAPA-184 will be submitted to FERC for confirmation and approval on a final basis.

DATED: December 10, 2018.

Dan Brouillette,
Deputy Secretary of Energy.

⁴ Western Area Power Administration, Notice of Proposed Extension of Formula Rates for Parker-Davis Project Firm Electric and Transmission Service, 83 Fed. Reg. 32664 (July 13, 2018).

**DEPARTMENT OF ENERGY
DEPUTY SECRETARY**

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| In the Matter of: |) | |
| |) | |
| Western Area Power Administration |) | |
| Extension of |) | Rate Order No. WAPA-184 |
| Parker-Davis Project |) | |
| Firm Electric and Transmission Service |) | |
| Formula Rates |) | |

**ORDER CONFIRMING AND APPROVING AN EXTENSION
OF PARKER-DAVIS PROJECT FIRM ELECTRIC AND TRANSMISSION SERVICE
FORMULA RATES**

Section 302 of the Department of Energy (DOE) Organization Act (42 U.S.C. 7152) transferred to and vested in the Secretary of Energy the power marketing functions of the Secretary of the Department of the Interior and the Bureau of Reclamation under the Reclamation Act of 1902 (ch. 1093, 32 Stat. 388), as amended and supplemented by subsequent laws, particularly section 9(c) of the Reclamation Project Act of 1939 (43 U.S.C. 485h(c)), and other acts that specifically apply to the project involved.

By Delegation Order No. 00-037.00B, effective November 19, 2016, the Secretary of Energy delegated (1) the authority to develop power and transmission rates to the Administrator of the Western Area Power Administration (WAPA); (2) the authority to confirm, approve, and place such rates into effect on an interim basis to the Deputy Secretary of Energy; and (3) the authority to confirm, approve, and place into effect on a final basis, to remand, or to disapprove such rates to the Federal Energy Regulatory Commission (FERC). This extension is issued under the Delegation Order and DOE rate extension procedures found at 10 CFR 903.23(a).

BACKGROUND

On September 16, 2013, the Deputy Secretary of Energy approved, on an interim basis, Parker-Davis Project Rate Schedules PD-F7, PD-FT7, PD-FCT7, and PD-NFT7 under Rate Order No. WAPA-162 for the 5-year period beginning October 1, 2013, and ending September 30, 2018. These rate schedules were confirmed, approved, and placed into effect on a final basis by FERC on September 18, 2014.¹

Following the procedures set forth in 10 CFR 903.23(a), WAPA filed a notice in the *Federal Register* on July 13, 2018, proposing to extend Rate Schedules PD-F7, PD-FCT7, PD-FT7, and PD-NFT7 under Rate Order No. WAPA-184.² WAPA provided a consultation and comment period on the proposed formula rate extension. The consultation and comment period ended on August 13, 2018, and WAPA received no comments on the proposed extension.

DISCUSSION

On September 30, 2018, the existing Rate Schedules PD-F7, PD-FCT7, PD-FT7, and PD-NFT7 were scheduled to expire. Under Delegation Order No. 00-037.00B, Section 1.5, WAPA's Administrator approved rates for short-term sales that were the same as those in existing Rate Schedules PD-F7, PD-FCT7, PD-FT7, and PD-NFT7 to cover the period between October 1, 2018, and the date the final rate extension goes into effect or March 31, 2019, whichever occurs first. The existing firm electric and transmission service formula rates provide adequate revenue

¹ See *Order Confirming and Approving Rate Schedules on a Final Basis*, Docket No. EF14-4-000, 148 FERC ¶ 61,193 (Sept. 18, 2014).

² *Western Area Power Administration, Notice of Proposed Extension of Formula Rates for Parker-Davis Project Firm Electric and Transmission Service*, 83 Fed. Reg. 32664 (July 13, 2018).

to pay all annual costs, including interest expense, and to repay required investment according to the cost recovery criteria set forth in DOE Order RA 6120.2. Rate Order No. WAPA-184, which extends the existing rate schedules through September 30, 2023, ensures adequate revenue to pay all annual costs for the period covered by this Order.

